



*RENEWABLE
ENERGY
PROGRAM*

**CALIFORNIA
ENERGY
COMMISSION**

RENEWABLE ENERGY PROGRAM

Volume 5

CONSUMER EDUCATION SUBACCOUNT

Second Edition

GUIDEBOOK

JULY 2000
P500-97-011V5



Gray Davis, Governor



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CALIFORNIA ENERGY COMMISSION

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Introduction

Assembly Bill 1890 (AB1890)¹, enacted on September 23, 1996, provides \$540 million to support renewable electricity generation technologies. These funds will be collected from the ratepayers of the three largest investor-owned utilities in California from 1998 through March 31, 2002, to support existing, new, and emerging renewable electricity generation technologies. As part of the requirements of AB 1890, the California Energy Commission (Commission) submitted a *Policy Report*² to the Legislature with recommendations for allocating the \$540 million.

Senate Bill 90 (SB 90)³, enacted on October 12, 1997, places the \$540 million into the **Renewable Resource Trust Fund**, and contains explicit directions for distributing this fund through four distinct accounts: the Existing Renewable Resources Account, the New Renewable Resources Account, the Emerging Renewable Resources Account, and the Customer-Side Renewable Resource Purchases Account (which is divided into the Customer Credit and Consumer Education Subaccounts). Table 1 shows the percentage funding allocations by year.

Table 1 - Yearly Allocations to Renewable Technologies⁴

Account	1998	1999	2000	2001	Overall	(in millions)
Existing Technologies	57%	49%	41%	33%	45%	\$243
New Technologies	24%	28%	32%	36%	30%	\$162
Emerging Technologies	10%	10%	10%	10%	10%	\$54
Customer-Side	9%	13%	17%	21%	15%	\$81

To assist potential participants in the Renewable Energy Program in applying for funding from the various accounts within the program, the Commission developed account-specific *Guidebooks*. These *Guidebooks* are identified as Volumes 1 through 5, with each volume corresponding to an account in **the Renewable Resource Trust Fund**:

- Volume 1 - Existing Renewable Resources Account
- Volume 2 - New Renewable Resources Account
- Volume 3 - Emerging Renewable Resources Account
- Volume 4 - Customer Credit Subaccount of the Customer-Side Renewable Resource Purchases Account
- Volume 5 - Consumer Education Subaccount of the Customer-Side Renewable Resource Purchases Account

In addition, the Commission developed *Overall Guidelines*, which set forth the administrative and legal requirements necessary to receive or appeal funding awards from the Existing, New and Emerging Accounts and the Customer Credit and Consumer Education Subaccounts.

This *Guidebook*, identified as *Volume 5 — Guidebook for the Renewable Energy Program, Consumer Education Subaccount*, addresses the eligibility, program requirements and funding processes for the Consumer Education Subaccount of the **Renewable Resource Trust Fund**. The Commission's Renewables Committee developed this *Guidebook* subsequent to numerous public workshops and hearings and after considering valuable input from interested stakeholders.

Overview of Consumer Education Subaccount

Senate Bill 90 directs that one percent of the renewables funds provided under AB 1890, or \$5.4 million, be used to support a consumer education and marketing campaign. The money is to be used to promote renewable energy and to disseminate information on renewable energy technologies and to help develop a consumer market for renewable energy and for small-scale emerging renewable energy technologies.⁵ To this end, the Commission has initiated the Renewable Energy Consumer Education (RECE) campaign.

The RECE campaign has three goals: 1) to raise consumer awareness of renewable electricity generation options and their benefits, 2) to increase purchases of both renewable energy from the grid and small-scale emerging renewables installed on customer premises, and 3) to mobilize a self-sustaining education effort that will continue beyond the four-year transition period to a competitive electricity market.

The RECE campaign is expected to follow the *Renewable Energy Consumer Education Marketing Plan* that the Commission approved on February 17, 1999. This *Marketing Plan* was developed as part of a public process involving public workshops and hearings and the cooperation of interested stakeholders, as described below:

- The Consumer Education program purpose and proposed approach was presented at a workshop on October 20, 1997.
- A Proposed Workplan was sent for public comment on November 24, 1997, in preparation for a Committee Hearing on December 11, 1997.
- Initial suggestions for marketing activities and answers to specific questions were received at the public Committee Workshop on June 3, 1998.
- A Draft *Marketing Plan*, proposed by the Committee, was mailed on November 23, 1998 and comments were received at a Committee Workshop on December 7, 1998.
- The Commission approved the revised *Renewable Energy Consumer Education Marketing Plan* at a business meeting on February 17, 1999.

- On March 17, 1999, the Commission approved administrators to implement portions of the *Marketing Plan*, and an allocation of \$1.5 million from the Consumer Education Subaccount to fund the initial phases of the RECE campaign.

The Commission approved a funding allocation for the initial phases of the RECE campaign. Eighty percent was reserved for marketing and educational activities to promote the purchase of renewable electricity products over the grid. Twenty percent was reserved for marketing and educational activities to promote the purchase of emerging renewable generation technologies for on-site generation of renewable power. The Commission also approved the use of two designated program administrators: one for the renewable electricity products area and one for the emerging generation technologies area. The administrators would be charged with coordinating with Commission staff, conceiving promotional strategies, developing and producing marketing materials, and directing daily campaign operations.

In March 1999, the Commission entered into an agreement with a program administrator for the initial phase for the renewable electricity products area. At the end of the initial phase, in June 2000, the Commission, at the recommendation of the Electricity and Natural Gas Committee, will decide whether to extend the entity's administration of the renewable electricity products area, or whether to pursue an alternative process pursuant to this *Guidebook*. References hereinafter and in the ***Marketing Plan*** to the Committee or the Renewables Program Committee shall refer to the Commission committee charged with overseeing the Renewable Energy Program: as of May 23, 2000, the Electricity and Natural Gas Committee.

In February 2000, when this *Guidebook* was adopted, the Commission had not secured an administrator for the initial phase of the emerging generation technologies area. Consequently, the Commission will administer the initial phase through programs and activities funded pursuant to this *Guidebook*.

The remainder of this *Guidebook* builds upon the *Marketing Plan* to describe the procedures and constraints for funding projects from the Consumer Education Subaccount. The *Marketing Plan* is incorporated into this *Guidebook* as Attachment A. A copy of the *Marketing Plan* can be obtained by calling the Energy Call Center at (800) 555-7794 within California, or at (916) 654-4058 outside California. The *Marketing Plan* may also be downloaded from the Commission's Web Site at <<http://www.energy.ca.gov>>.

Program Eligibility Requirements

Individual projects, and programs comprised of multiple projects, may be eligible to receive funding from the Consumer Education Subaccount. In general, projects and programs should have the goal of providing information to consumers about renewable electricity products and emerging renewable generation technologies.

Information developed and/or provided through programs and projects funded by the Consumer Education Subaccount must be factual and broad-based, rather than specific to a product, manufacturer, or provider. To the extent possible, overall information developed and/or provided must not discriminate among renewable energy technologies nor tend to mislead consumers or other market stakeholders.

Eligible Topics

Projects and programs funded by the Consumer Education Subaccount must provide information to consumers or otherwise assist the delivery of products and services to consumers under one or more of the following eligible topics:

- 1) The generation, sale, and purchase of renewable electricity products in the California direct-access market.
- 2) The production, purchase, and installation at customer sites of emerging renewable generation technologies.
- 3) The environmental, local economic, reliability, diversity and other benefits of purchasing and/or generating renewable electricity in California.
- 4) Other topics that are approved in advance by the Committee consistent with the *Marketing Plan*.

Eligible Participants

Participants must meet one or more of the following criteria to be eligible for funding from the Consumer Education Subaccount:

- 1) Be a nonprofit corporation whose mission or expertise is consistent with the goals and purpose of the RECE campaign.
- 2) Be an individual or entity with marketing, public relations, consumer education, or public-interest marketing experience.
- 3) Be a public agency with experience or expertise in the topics described above.
- 4) Otherwise be approved in advance by the Committee consistent with the *Marketing Plan*.

Marketing Plan Requirements

Projects and programs funded by the Consumer Education Subaccount must conform to the goals and objectives of the *Marketing Plan*, and any subsequent modifications to the Plan.⁶ For example, project or program activities must fall under the marketing activities referenced in the *Marketing Plan* or a delivery mechanism subsequently identified and approved in advance by the Consumer Education Subaccount Manager.

Public Interest Requirements

Projects and programs funded by the Consumer Education Subaccount must be equitable to stakeholders and the general public. In general, information must be factual and broad-based, rather than specific to a product, manufacturer, or provider. To the extent possible, overall information developed or provided must not discriminate among renewable energy technologies, nor tend to mislead consumers or other market stakeholders. Overall guidance in achieving these goals is provided by the following general requirements; more specific requirements may be incorporated into individual solicitations governing program or project funding.

Projects and programs must be:

- 1) Inclusive in opportunity. The project or program must provide adequate and timely project or program information so that any interested market participants have an opportunity to coordinate with and/or participate in the project or program. This adequate and timely information may vary by the type of activity and will be determined in individual solicitations or by the Consumer Education Subaccount Manager. Funding may be provided to projects or programs where all appropriate entities have an opportunity to participate, even if not all entities elect to participate, or are invited to participate, but in the judgement of the Consumer Education Subaccount Manager the level and breadth of entity participation was reasonable given the circumstances.
- 2) Targeted to return benefits to ratepayers. The project or program must be primarily targeted to geographic areas served by the utilities whose ratepayers are paying into the **Renewable Resource Trust Fund**. Activities that are first targeted elsewhere may be funded if they result in products that can be used in the utility areas described above.
- 3) Inclusive in message. For a specific project or program funded, an activity must provide either generic information that applies to all relevant and known products or services, while not mentioning any specific product or service, or it must provide information about all relevant and known products and services.

For example, a campaign urging consumers to choose a renewable energy product in the direct access market should either provide generic information

relevant to all product choices in that market, or if a specific product is listed or described, provide information about all relevant and known products that may be chosen. The requirement to provide information about all products does not preclude the campaign from providing or emphasizing information about logos, web-sites, or other pieces of information that distinguish among renewable electricity products for some public, non-commercial purpose.

- 4) Non-commercial. Funding for projects or programs cannot be provided directly to specific entities participating in the electricity market as sellers or traders of electricity services (including electric utilities), or specific entities that are selling, installing, or producing emerging renewable generation technologies.

Program Funding Requirements

Individual projects, and programs comprised of multiple projects, may receive funding from the Consumer Education Subaccount in the form of grants or contracts. Funding in the form of grants shall be made in accordance with and subject to the procedures, limitations and requirements specified in this *Guidebook* and any general or targeted grant solicitations to follow. Funding in the form of contracts shall be made in accordance with and subject to the procedures, limitations, and requirements set forth in this *Guidebook* and the Public Contract Code for the state procurement of goods and services. (See Part 2, Chapter 2 of the Public Contract Code, commencing with section 10290.)⁷

Matching Funds

Individuals and entities applying for funding from the Consumer Education Subaccount are expected and may be required to provide matching funds and/or in-kind contributions to the project or program for which they are seeking funding. The level of matching funds required will be specified in the solicitation document issued by the Commission. The solicitation document may provide for an exemption to the matching fund requirement under special circumstances.

Matching funds and in-kind contributions may originate from a variety of sources, including the applicant or other participants in the project/program such as industry or environmental stakeholders, public interest organizations, or local, state or federal governmental agencies. Matching funds and in-kind contribution may not originate from the Commission.

Matching funds and in-kind contributions may include, but are not limited to, the contribution of cash or its equivalent, or a contribution of indirect costs or other non-cash support, such as:

- in-kind services,
- use of equipment or office space,
- discounted rates, fees or charges, provided the contributions can be quantified and substantiated, and benefit the project/program work.

The form of matched funding will be determined on a case-by-case basis.

Solicitation Documents

Individuals and entities interested in receiving funding from the Consumer Education Subaccount must apply for funding pursuant to a general or targeted solicitation document issued by the Commission, at the direction of the Committee. A solicitation document will specify the amount of funding available and any per-project or program funding caps, the administrative requirements for submitting an application for funding, the elements to be included and addressed as part of the application, the criteria the Commission will use in evaluating applications, and the timetable to be followed in evaluating the applications and making awards.

In addition to the award and eligibility requirements specified above (see Program Eligibility Requirements section), a solicitation document may specify other eligibility requirements that must be satisfied to qualify for funding. For example, a targeted solicitation document focusing on Public Schools may specify that topics must be educational in nature, rather than promotional.

The solicitation document will also include a sample funding award agreement, in the case of a grant solicitation, and a sample contract, in the case of a contract solicitation, that awardees will be expected to execute. The funding award agreement or contract will identify the terms and conditions applicable to an award. These terms and conditions will include provisions dealing with the Commission's indemnification, funding award payments and invoicing, project/program management, progress reports, dispute resolution, and award termination, as well as any provisions required by statute.

Unless indicated otherwise in a solicitation document, applications for grant funding must include, at a minimum, the following:

- 1) Name, address, business and tax information (or identifier) of applicant/s;
- 2) Name, address, and business information of the project/program contact;
- 3) Description of project/program for which funding is sought;

- 4) An explanation of how the project/program complies with the solicitation and eligibility requirements and furthers the purpose of the Consumer Education Subaccount and RECE *Marketing Plan*;
- 5) A work statement that describes the project/program tasks, activities, and corresponding deliverables (products) and due dates;
- 6) An itemized budget for the project/program that identifies all related costs and expenses and anticipated matching funds, including the source and expected timing of said matching funds;
- 7) A certification by an officer of the applicant that the information included in the application is true and correct to the best of the officer's knowledge.

Applications or bids for contracts will require additional information as required by statute and specified in the solicitation document.⁸

Approval of Funding Awards

All proposed awards shall be approved based upon the recommendations of Commission staff that the applications for project or program funding have passed the eligibility requirements specified in the appropriate solicitation.

In accordance with the Commission's existing practice, grant awards and contracts of \$10,000 or less may be approved by the Committee with the concurrence of both Committee members. In the absence of such concurrence, approval by the full Commission is required. Grant awards and contracts greater than \$10,000 require the full Commission's approval.

The Committee shall inform the full Commission of any grant awards or contracts it approves pursuant to this *Guidebook* at the Business Meeting immediately following its approval of such grant awards or contracts.

Award Packages

Unless indicated otherwise in the solicitation document, the award package will consist of at least the following:

- 1) A funding award agreement or contract that includes the terms and conditions applicable to the award, and signature blocks for the awardee and Commission,
- 2) A work statement that provides a detailed task-by-task description of project or program activities,

- 3) A schedule of project or program activities and corresponding deliverables (products) and due dates,
- 4) An itemized budget for the project or program identifying all related costs and expenses and matching funds, including the source and expected timing of said matching funds.

Progress Reports

All awardees will be required to submit regular progress reports to the Consumer Education Subaccount Manager. The frequency of these progress will be determined on a case-by-case basis depending on the project or program being funded, but in no event will it be less than quarterly. The progress reports shall contain the following information:

- 1) Status of work statement tasks, including an indication of overall progress compared to the expected schedule and task goals;
- 2) Any deliverables (products) as identified in the work statement;
- 3) A comparison of program expenses to date to the expected budget;
- 4) A description of matching funds applied to the program.

Grant Award Extensions

The term of individual grant award agreements may be extended for projects or programs that can not be completed on schedule--provided the extensions are reasonable and do not appreciably affect the value of the projects or programs to the RECE campaign.

For example, a time extension would appreciably affect the value of a project to the RECE campaign if the project contemplated the production and targeted dissemination of brochures at a specific public event, and the extension allowed the brochures to be produced after the event had taken place. Such an extension would be unreasonable and would not be granted.

Awardees must request a grant award extension in writing at least 30 days prior to the end of the term date and provide a justification for the extension and a revised term date. A grant award extension is at the discretion of the Consumer Education Subaccount Manager.

Changes to Grant Award Scope

Changes to the work statement, changes to specific line items in the budget, or both may be made under certain conditions. First, such changes must not alter the original scope or purpose of the project or program as proposed in the grant application and as approved by the Committee and/or full Commission. Second, such changes must not appreciably affect the value of the project or program to the RECE campaign. All changes are subject to necessary approval by the Consumer Education Subaccount Manager. The awardee shall notify the Consumer Education Subaccount Manager in writing and in advance of implementing any such changes.

Changes that the Consumer Education Subaccount Manager determines to be substantive, or cumulative transfers among budget line items that exceed 10 percent of the total grant award, require advance written approval of the Consumer Education Subaccount Manager. The solicitation document and award terms and conditions may provide additional description of award modification criteria.

Cancellation/Termination

Before signing a grant award agreement, the awardee may cancel an award for any reason by notifying the Commission in writing. After the grant award agreement has been executed, the Commission and the awardee may terminate a grant award agreement under those circumstances and terms and conditions specified in the grant award agreement.

Funding Award Payments

Unless indicated otherwise in the solicitation document or the funding award agreement or contract, funding award payments shall be subject to the following conditions:

- 1) Payments will be made on a reimbursement basis, after the awardee submitted the appropriate invoice to the Commission.
- 2) All invoices must be submitted with a completed payment request form, as specified by the Commission, and accompanied by all backup documentation and a progress report. The backup documentation should include copies of paid invoices and receipts and personnel time records where appropriate. The invoice and the progress report should include documentation about matching funds applied to the program.

- 3) The Renewables Program Manager or his or her designee must approve all invoices. Such approval is subject to the awardee's acceptable submittal of the required progress reports, other specified products, and the appropriateness of the invoiced expenses under the funding award agreement or contract.

Definitions

California in-state electrical corporations -- Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Edison, and any other electrical corporations contributing funds to the Emerging Renewable Resources Account of the Renewable Resources Trust Fund.

direct-access market -- the portion of the electricity industry in California involving acquiring and selling electricity to customers via a Direct Access Service Request, or by contracting directly with a nonresidential, non small-commercial customer, as defined in AB 1890.

electrical corporation -- see Section 218 of the Public Utilities Code.

emerging renewable generation technologies -- those renewable generation technologies specifically covered under *Guidebook Volume 3: Emerging Renewable Resources Account*, publication number P500-97-0011V3.

in-state renewable generation -- biomass, solar thermal, photovoltaic, wind, geothermal, small hydropower of 30 megawatts or less, waste tire, digester gas, landfill gas, and municipal solid waste generation technologies, as described in the *Policy Report on AB 1890 Renewables Funding*, including any additions or enhancements thereto, that are produced in facilities located in this state and placed in operation after September 26, 1996, or that were operational prior to that date, and that are also certified under Section 292.207 of Title 18 of the Code of Federal Regulations as a qualifying small power production facility either located in California, or that began selling electricity to a California electrical corporation prior to September 26, 1996, under a Standard Offer Power Purchase Agreement authorized by the California Public Utilities Commission.

investor-owned utility -- a utility that is organized as a tax-paying business, whose properties are managed by representatives elected by shareholders.

local publicly owned electric utility -- as defined in Public Utilities Code section 9604, subdivision (d), and which includes a municipal utility district, a public utility district, an irrigation district, or a joint powers authority made up of one or more of these entities.

municipal utility -- a local publicly owned (customer-owned) electric utility that owns or operates electric facilities subject to the jurisdiction of a municipality, as opposed to the California Public Utilities Commission.

renewable electricity product -- offering of electricity for sale in California where that offering is claimed to be comprised of a specific amount or type of electricity

generated by renewable sources, not including the electricity generated by renewable sources included in Net System Power.

Endnotes

¹ Chapter 854, Statutes of 1996.

² *Policy Report on AB 1890 Renewables Funding*, published March 1997, publication number 500-97-002.

³ Chapter 905, Statutes of 1997.

⁴ These percentages apply to annual amounts of \$135 million for four years as assumed in the *Policy Report on AB 1890 Renewables Funding*. Because \$135 million will not be collected in the early years, it may be necessary to borrow some funds from one account to make payments in another account equal to the absolute amounts expected annually in the Report. Borrowing will only be done if the account from which money is being borrowed is not adversely affected. All funds borrowed will be returned to their appropriate account.

⁵ PUC 383.5.e.2

⁶ Modifications to the *Marketing Plan* will likely be necessary to respond to market developments. As is the case with the other guidebooks, the Commission will adopt substantive modifications pursuant to a public process as specified in the Overall Guidelines.

⁷ Pursuant to this statutory authority contract awards may be made on a sole source basis without a formal solicitation.

⁸ As noted earlier, contracts may be awarded on a sole source basis without the need for a formal solicitation.